

The Regular meeting of the Finance/Executive Committee of the Atlanta City Council was held Wednesday, March 16, 2011, at 1:00 p.m. in Council Chambers, City Hall South, 2<sup>nd</sup> Floor.

**Present:** Councilmember Yolanda Adrean, Chair Joya C. De Foor, CFO  
 Councilmember Felicia A. Moore Departmental Staff  
 Councilmember Howard Shook  
 Councilmember Alex Wan  
 Councilmember H. Lamar Willis  
 Councilmember C.T. Martin  
 Councilmember Aaron Watson

**Others**

**Present:** Councilmember Keisha Lance-Bottoms  
 Councilmember Joyce M. Sheperd  
 Councilmember Kwanza Hall  
 Councilmember Cleta Winslow

Chairperson Adrean called the meeting to order at 1:10 p.m. after declaring a quorum present. The Committee members present were introduced as follows: Councilmembers Felicia A. Moore, Howard Shook, Alex Wan, H. Lamar Willis, C.T. Martin and Aaron Watson. Other Departmental staff was present as well.

The Agenda was adopted as printed. The minutes of the Finance/Executive Committee of March 2, 2011 were adopted as well.

**DISCUSSION ITEMS/PRESENTATIONS**

**1. 2011 General Assembly Update – Megan Middleton, Intergovernmental Affairs Manager**

**Ms. Megan Middleton:** Mayor's Office of Intergovernmental Affairs Manager addressed the Committee by stating that this is cross over day. Today is day 30. Our items are alive for this session. The penny sales tax is in the House Ways and Means today. The Senate Calendar has 50 bills. The Identification registration is in the Senate. There are a couple of bills we have been watching. 911 fees will be distributed back to the City. **HR 259** will eliminate fees on cars. **HB 291** is for storm water and solid waste fees. **HB 309** changes the value of scrap vehicles. Chairperson Adrean asked about the SPLOST vote. Ms. Middleton responded that they were still debating about it as well as Sunday sales. Milton County will come back up again next year. It was introduced on Monday (**HB 550**). It will address some of the issues that Fulton County had.

**2. Revenue Analysis Update - Department of Finance; Office of the Mayor**

**3. Council Goals and Objectives for Pension Reform**

Chairperson Adrean stated that the Administration is not introducing legislation today. It is just a conversation between the Administration and citizens. There is not a period for comment from the public, but we will bend the rules. We will be hearing this presentation for the first time. There is plenty of time to get thoughts and questions together. If someone is speaking, please hold your review and keep the room respective.

**Mayor Kasim Reed:** addressed the Committee by stating that he will start with a brief background. He then gave the funding numbers for the unfunded liabilities from 2000 to 2010. This is the direction we have been going in for a decade. If we don't change the course we want won't be too competitive. The benefits that are previously earned will be retained by the employees. We want to promote saving for a healthy retirement. Most plans involve Social Security, 401 (k), etc. The Administration has a two part proposal. From a 30 year open to a 30 year closed. The previous Council did a 30 year amortization. Option #2 is to change the structure and cost. Option #1 shifts all employees to a 6% DC Plan. Option #2 is for Grades 18 and below to shift to a DC Plan

with Social Security. There will be no limit on benefits. It reduces the annual cost of \$12 to \$18 million dollars.

**Mr. Peter Aman:** Mayor's Office Chief Operating Officer addressed the Committee by stating that we are changing from 30 year open to 30 year closed. Page #6 shows a chart. At the top is the current plan. If you assume the market is like 2008 the \$1.7 billion dollars would become \$4.4 billion dollars. Chairperson Adrean asked if closed amortization is the same as freezing benefits. Mr. Aman responded that this page speaks to the current plan without changes. A couple of years ago Council moved to an open amortization. It was done for a temporary recession. The pension liability needs to be solved and the City needs to move to the lower line. The challenge is paying more each year. Page #7 shows if there are no changes. You have an enormous savings in interest costs. The cost does increase each year. We recognize you incur pain and it increases the structure. Page #9 is Option #1 to take all employees and move them to a 401 (A) Plan. There is no gain in service. We would be freezing the years of service. The retirement age does not change. There is a hard freeze and the City is still responsible. We are not adding to the risk going forward. The DC plan is a 6% plan. Under Option #1 their retirement benefit is the same and it is not guaranteed by the taxpayers. Page #10 is the unfunded actuarial liability. It drops the liability. Page #11 is the required annual contribution. Page #12 shows where the cost is above the line. The green bars showing below the line are the savings. Page #13 shows in year one the City's annual contribution decreases by \$7 million dollars. We can choose to prefund some of the costs. Option #2 is on page #15. It is more complicated to explain. The DB plan stops altogether. You have a choice with choosing Social Security. Social Security requires 10 years of up to 40 credits. If you are 5 years from retirement Social Security is not beneficial. We match what you put in. Our liability drops by \$400 million dollars. Page #17 is the annual cost for Option #2, we match what you put in for DC and Social Security. The costs outweigh the savings. Page #19 shows in the first year a savings of \$14.1 million dollars and in 2023 it shifts to a cost. Page #20 is other changes in the future. First thing we want to talk about is the two different Options. We will save about \$5 million dollars. The pension benefit restructuring is only part of it. Page #21 is what surrounding Municipalities offer. Fulton County's plan is the same as our Option #2. The benefits are similar to Options #1 and #2. Finally, what does it mean to employees. The presentation will be on the website. Page #24 shows a 20 year employee. Pages #25 and #26 show different scenarios. We will have structured meetings for employees. Councilmember Martin asked about page #21, is there anywhere that shows other unfunded liabilities. Mr. Aman responded that we have additional information. There are not that many that are unfunded like we are. Chairperson Adrean stated that Fulton is at 78% to 80% funded and have an 8% return. Their plan has been closed and they have been in Social Security. They closed their DB plan in 1999. Councilmember Martin asked who is their actuary? Chairperson Adrean stated that we will get answers to questions. Councilmember Martin asked if you have responded to Fire and Police legal responses. Mr. Aman responded that there is nothing new in the Firefighter's letter. There is no new citation or reference in there. There is nothing to change our legality. Mayor Reed added that we decided to have two Options. We want to solve the problem with two new Options. We need to show that we are competitive with what employees have. We are now on a path of going broke. Right now we are about 54% funded. Councilmember Hall stated that we have employees that have not managed their own assets. What are we doing to educate them? Mayor Reed responded that his Administration is moving in the direction for significant savings. We want employees to move to this new world. We need a robust plan and to make sure that employees are educated. Councilmember Hall asked about DC plan strategy with changing asset management for employees who never managed their own money. He wants to know more about the downside. Mayor Reed responded that there was a study from the General Employees Fund. It is part of a three step process to fiscal health. We will meet our obligations at the same time. We are running deficits and we have no money to invest in pay raises right now. Councilmember Sheperd asked how are we actually providing information to the employees and unions. Employees thoroughly need to understand their Options. Are you having meetings with them? Mayor Reed responded that we are setting up six meetings. We will make the documents available. The unions can come and challenge

it, argue and be robust about it. It will be him, the COO and CFO at the meetings. We will expose the plans. If we don't change the pension, ten years performance ahead we will have the same problem and will have a \$4 billion dollars cost. We have to go by the past ten year actuals. The problem he has is that we are currently doing something that does not work. We want it to be paid off by 2041. On this path going forward we are going broke. Councilmember Wan stated that the annual payments concern him. Does the same principle apply as a mortgage? Mayor Reed responded that is why the numbers were put up front. We are on a path of putting in \$27 million dollars in a Reserve. Right now we are operating on a budget of \$560 million dollars. Atlanta will budget about a \$ 645 or \$700 million dollars budget. The plan will reduce firing people. All of the revenues are in the bosom of Council. We have to monitor the performance of our pension assets. We need to know every year if we are meeting the ten year obligation. The discussion around the pension performance needs to be quarterly. These plans today show that we care about the employees. The current pension is a lie. Councilmember Lance-Bottoms asked about the funds being unfunded at the current rates. Mayor Reed responded that it is all of the pension funds are terrible and dividing the funds will tear the City apart. The numbers show a path of failure. Councilmember Shook asked who ran the numbers. Mayor Reed responded Segal and Company, Peter Aman and Duriya Farooqui. Councilmember Shook stated that we would have to do research as well. Mayor Reed responded that we closed the 30 year amortization. Councilmember Shook stated that it was by conservative thinking last year by the CFO. Mayor Reed responded that we are fiscally able to deal with this problem. Councilmember Shook asked about a Drop Plan. Mayor Reed responded that is risky and unreliable. Councilmember Shook asked if there was an analysis done for employees who won't continue to work here. Mayor Reed responded that we are looking at that. We were trying to address that because we thought some long term employees would rush for the door. The analysis has not been done yet. The reason that we put in Options #1 and #2 is to take care of employees for a long time. Councilmember Hall asked what did Orange County do that is different. Mayor Reed responded that they are not much different than ours. We are more compassionate. Councilmember Moore stated that the unfunded liability has to be addressed. This issue is being addressed across the Country. She is finding that the more she hears about it the more difficult it is to address. This is not an Atlanta issue. We rely solely on information or opinions from the Administration or the CFO. Council went by the information we received. The Council did nothing wrong. In 2001 and 2005 we were told in order to retain and recruit Officers we needed to change the multiplier. One of the things the Police said was they wanted to be offered a better pension and salaries to retain Officers. The Police, Fire and General Employees went to communities to lobby Council to give better benefits. We relied on the Administration, CFO, Law, Acturaries and the Pension Panel. We had plenty of discussions and time and we were being supportive. Some of the actuarial assumptions were not correct. It has hurt pensions across the Country. Today the information we received are actuarial assumptions again. We need more than one actuarial assumption. There are some new products out there with a guaranteed outcome. The Council needs to sit down and determine what percentage we want employees to have. We need to take advantage of the Resolution that we passed. She believes that we need independent answers. Actuarial assumptions depend upon what you put in. If we rely on one thing, we will be at the same position we are in now. The long term decisions should not be made on short term cuts. We are being told that without the proposed pension savings, we will have severe cutting. She hopes that we will take the time to understand what we are doing. She is learning everyday about the pension. We need a crash course in what all of this means. Mayor Reed responded that the 30 year amortization decision was made in 2009, but we knew it had to be addressed. Police and Fire retention shows that it did not improve because we did not have the step increase to go along with it. It is unfair to go back and look at past judgment, so we will have quarterly meetings. We used the best standards for actuaries of 8%. If we go lower it would balloon the liability. New plans are something we will look at. He agrees that we should not wait and tie it to the budget. Regarding the cuts, when he came here the budget had a deficit of \$40 million dollars. He wants the renegotiation of the sales tax as a revenue enhancement. Councilmember Martin stated that the Boston Group was one of the main consultants. We will have court cases. We

need to be driven by the best information possible. Our workforce makes or breaks us. He looks forward to coming up with a better plan.

Chairperson Adrean gave the public an opportunity to speak:

**Captain Jim Daws:** of the Firefighters Union addressed the Committee by stating that all of the proposals from the Panel were done by a paid consultant. The Panel found that the Plans are average and they were inferior and there was a retention issue. It was one third less than the suburban plans. He then stated that for the last ten years firefighters were paid on third less than surrounding Counties. The source of the unfunded liability shows that 65% was from market investments. As the economy improves the revenues will rise. 20% of the unfunded liability is actuarial assumptions and mistakes. Any characterization is inaccurate. We do not accept taking us out of the DB plan and putting us in a DC plan. It is not doing us any favors. The taxpayers have received the services of the firefighters for 30% less. The only thing that kept them from going to other Fire Departments was the Pension. We have had one promise broken after another. We don't believe this is legal. This Administration has been hard at trying to diminish the DB pension plan. This is a funding problem. The business module of the City is broken. We were disappointed with not exploring more funding sources. You would have to save enough money in the DC plan as well. In the DB Plan the returns and liability is over a period of time. We have DB to provide for disability or survivors plans. There is a well established law in Georgia that these are legal contracts. Changing the benefit is a violation of the contract. He urges the Council to go slow on these matters because the issues are complex. DB plans are the best plans for your bucks. We are ready to provide any data.

**Mr. Joe Hussey:** of the Firefighters Union addressed the Committee by stating that we should have fairness. Public Safety is part of a business community. Our job is not in the bottom line, it is between the line and essential. We have already sacrificed for the City by having increments frozen. It is not progressive to fix the budget on the employee's backs. Putting our retirement at risk is putting our lives at risk.

**Mr. Kevin Silas:** addressed the Committee by stating that he would be glad to have what the Mayor has (his paycheck). DC plans have disturbing issues and outcomes. We as employees lack the general sophistication. We are supposed to have the opportunity to do it for ourselves, but we are not capable. The City's pension plan is to just give you a benefit. Our insurance cost is increasing. An Open/Closed amortization is relevant because there is always going to be employees who retire and they have to be paid. It will never be paid off. It is driven by the people who are receiving benefits. Our pension cost has always been heavy. In terms of performance, a mutual fund is what you can only get out of it. We never had a formalized program or a pension representative to speak with us. When you have a DB everything is consolidated. There is one cost to the entire plan. If the process is not enhanced, it will not perform to the best potential. Historically, the City had to pay based on performance. When it performed well, it paid well. The City has never paid what it should have. If we had paid constantly, it would have not affected us as much. The City's costs and problems have to do with the City's actions. United Water lost a good bit of money. We lost control of our revenue streams. We are still pushing projects and deadlines. When we made this decision we were booming. Our markets were performing. There is no economist hired by the City. It is apparent that we have not been doing the things that we need to, but we want to lay the mistakes on the backs of the employees.

**Mr. Ken Allen:** addressed the Committee by stating that he is the new President of the International Brotherhood of Police Officers. The pension issue is not a new issue. We did not get input at the beginning from the Pension Reform Panel. Actuarial studies are based on a set of standards and qualifications. The compromises and changes need to be looked at. Pension reform is something that needs to be looked at. Employees are coming together to deal with our future. With this change, we are going to Court. It is not going to be a quick change. Social Security is a system that is being looked at as a failure. There have been reductions in Social Security. Each of the pension funds has

its own inherited problems. We need to study the information that is available. We have to make some changes. We could look at an Early Out and hire people part time.

**Mr. Dave Walker:** addressed the Committee by stating that he was here when the Union pressured you. The Mayor has the opportunity to stop the madness. The federal government does not have Unions. The Unions want gold, but there isn't anymore.

**Mr. Tony Williams:** addressed the Committee by stating that the Police Pension has \$700 million dollars and it is 90% funded. The pensions are an easy target to save money from. Don't hurt the people that are here to serve. We need to get this solved. Statistics show that Police Officers that retire only live 3 to 5 years afterward.

**Mr. Gregory Dukes:** Staff Attorney addressed the Committee by stating that the Police Union is looking at proposals. He is concerned when a bill is administered and dropped. There may be other options out there. We have not seen any legislation yet. There seems to be a reduction in benefits. Please feel free to talk to us first. Chairperson Adrean stated that there are issues to be worked out. We need to schedule our first Work Session. She suggests we meet in the next week to stay on tract. She is looking at March 23<sup>rd</sup>. Councilmember Moore stated that she believes we need a Session amongst ourselves first. We need a pension one on one Session then a conversation. What are our objectives? What do we want to supply our employees with? If we made decisions right now the competition goes away. The first Session should be education. The pension numbers were supposed to be reported to GASB. Finally, there should be a general discussion in reviewing the options or other options. Chairperson Adrean stated that we need to come up with our guiding principles. Who will be our educator? Councilmember Moore stated that the CFO could in regards to the terminology. We need general information as well. Maybe our City Attorney can also educate us. If you have a goal in mind, then you tell the experts and they would come up with a conclusion. That narrows the options and opportunities. Their work could be a good base. Councilmember Willis stated that one thing that did not come up is who is responsible for the pension funds. We should be involved in the decisions. If the Board is making the decisions and caused a great loss, they should be liable. Chairperson Adrean agrees. Councilmember Winslow asked if any other States have similar pension laws. Mr. Aman responded that State Laws are different. Councilmember Winslow stated that she wants to know what Fulton County did. Chairperson Adrean stated that they would be glad to talk to us. Councilmember Martin asked when will we hear from the three Pension Boards. He understands that there is the CFO, a HR person and a Councilmember on the General Fund Employee's Pension Board. We need to meet with them. He recommends hearing from all of the Unions as well. There is an article called "Wallstreets" in the Rolling Stone magazine that talks about pension funds. We need to know about the market. There needs to be a glossary of the terms. We need agendas set up for the Work Sessions. There are questions of constitutionality. Do we trust our own Attorneys? One financial person stated that we keep doing Bonds and getting in a hole. How can we have a Reserve when we owe so much out? This is not something that just happened. This goes way back. Councilmember Shook asked if there would be legislation. Mr. Aman responded that it would be based on the outcome of the Work Sessions. Our intent is to work collaboratively with Council. Councilmember Shook stated that it is going to be difficult and long. We have to set a time to move on. Chairperson Adrean stated that the Pension Reform Work Session will be at 11:30 a.m. for the learning Session and 12:00 p.m. for the meeting. Mr. Aman responded that it is useful to close the DB plan by this fiscal year and start the new plan by July 1<sup>st</sup> of this year. Councilmember Moore stated that it is going to be difficult to do this and the budget in three months. Mr. Aman responded that we are moving either to Defined Contribution or Defined Contribution and Social Security. At the end of the day there is going to be layoffs, etc. if we don't.

**CONSENT AGENDA**

**TO AMEND CHAPTER 2, ARTICLE V, DIVISION 2, SUBDIVISION III**

- 11-O-0350 (1)      An Ordinance by Finance/Executive Committee to amend Chapter 2, Article V, Division 2, Subdivision III, Section 2-370, 2-372, 2-373, 2-375 and 2-376 of the Code of Ordinances of the City of Atlanta and to add new Sections 2-378 and 2-379 so as to effectuate Phase One of the Reorganization of the City of Atlanta Department of Finance; to repeal conflicting Ordinances; and for other purposes.

**FAVORABLE ON FIRST READ**

**TO UTILIZE STATE OF GORGIA CONTRACT GS-23F-0258L**

- 11-O-0351 (2)      An Ordinance by Finance/Executive Committee authorizing the Mayor to utilize State of Georgia Contract GS-23F-0258L, for Maintenance and Professional Services of the Verint's Work Force Optimization Software; waiving certain provisions contained in the City of Atlanta Code of Ordinances, Article X, Procurement and Real Estate Code, to ratify the prior provision of Services provided by Adtech-GESI, LLC on behalf of the Department of Watershed Management, in an amount not to exceed twenty-five thousand eight hundred seventy-eight dollars and no cents (\$25,878.00); all contracted work shall be charged to and paid from Fund Department Organization and Account Number 5051 (Water & Wastewater Revenue Fund) 5213001 (Consulting/Professional Services Technical) 170113 (DWM Watershed Information Systems) 1535000 (Data Processing Management Information System); and for other purposes.

**FAVORABLE ON FIRST READ**

**TO WAIVE THE PAYMENT PROVISIONS**

- 11-O-0352 (3)      An Ordinance by Finance/Executive Committee waiving the payment provisions contained in the City of Atlanta Code of Ordinances, Article X, Procurement and Real Estate Code, to ratify the prior provision of Printer Maintenance and Support Services by Xerox Corporation under an expired Agreement for the period beginning August 1, 2010 through March 31, 2011 for an amount not to exceed ninety-nine thousand, two hundred ninety-five dollars and thirty-six cents (\$99,295.36); to authorize the Mayor or his Designee to enter into an appropriate Cooperative Purchasing Agreement with Xerox Corporation utilizing General Services Administration Contract Number GS-35F-0662M for Printer Maintenance and Support Services for one (1) month beginning April 1, 2011 in an amount not to exceed thirteen thousand, five-hundred eighty-nine dollars and fourteen cents (\$13,589.14), to be charged to and paid from 1001 (General Fund) 050206 (Mainframe Operations) 5222002 (Repair & Maintenance-Equipment) 1535000 (Data Processing/Management Information System); and for other purposes.

**FAVORABLE ON FIRST READ**

**REGULAR AGENDA**

**TO ENTER INTO AN AMENDMENT AGREEMENT NO. 1**

- 11-O-0268 (1) An Ordinance by Finance/Executive Committee authorizing the Mayor to enter into an Amendment Agreement No. 1 for the constructed wetlands project cost share agreement located in McDaniel Branch with the United States Army Corps of Engineers ("USACE") to include an additional property located on Land Lot F0073 of the 14<sup>th</sup> (FF) District, Fulton County Georgia parcel Number 14F-0073-LL-074-9 of the 14<sup>th</sup> (FF) District, Fulton County Georgia, Parcel Number 14F-0073-LL-074-9; to authorize the Mayor to enter into an agreement with property owners and other appropriate documents for the acquisition of the properties to include in the constructed wetlands project cost share agreement located in McDaniel Branch; to waive portions of Article X of the procurement and real estate code; to authorize the city attorney to use the assistance of outside counsel to effectuate the acquisition; to authorize the Chief Procurement Officer to obtain title work, surveys, environmental tests, appraisals and other appropriate due diligence items to effectuate the acquisition of the property; to charge and pay for acquisition costs from Fund Department Account and Organization number 5051 (Water & Wastewater Revenue Fund) 5212001 (Consulting/Professional Services) 170602 DWM Greenway Planning & Acquisition) 7410000 (Planning & Zoning) in an amount not to exceed one hundred thousand dollars and no cents (\$100,000.00); and for other purposes.

**HELD**

**TO AMEND THE FISCAL YEAR 2011 NORTHWEST ATLANTA (PERRY/BOLTON) FUND BUDGET**

- 11-O-0269 (2) An Ordinance by Finance/Executive Committee to amend the Fiscal Year 2011 Northwest Atlanta (Perry/Bolton) Fund Budget by amending Ordinance 10-O-0901 to anticipate and appropriate Tax Allocation Increment in the amount of \$4,500,000.00 from the City of Atlanta Northwest Atlanta (Perry/Bolton) Tax Allocation District for the purpose of constructing and equipping a new Northwest Atlanta fire Station, a mini-police precinct, and a community assembly room ("Fire Station 28 Project"); and for other purposes.

**HELD**

**Ms. Maria Runnels:** of the Office of Debt and Investment addressed the Committee by stating that the contract is not finalized.

**TO AMEND A LEASE AGREEMENT WITH THE ATLANTA CITY EMPLOYEES CREDIT UNION**

- 11-O-0317 (3) An Ordinance by Finance/Executive Committee authorizing the Mayor to amend a Lease Agreement with the Atlanta City Employees Credit Union for approximately 1,068 square feet of office space at 226 Peachtree Street, SE, in Land Lot 77 of the 14<sup>th</sup> District of Fulton County, Georgia; and for other purposes.

**FAVORABLE**

**Mr. John Lavelle:** of the Office of Enterprise and Asset Management addressed the Committee by stating that this would revise the existing lease for rent payments from the occupants. They had difficulties getting into the building and we want to restart the initial date for lease payments. Councilmember Wan offered a motion to **Approve, 6 Yeas.**

**TO AMEND CHAPTER 114, PERSONNEL, ARTICLE IV, CLASSIFICATION PLAN OF THE CODE OF ORDINANCES**

- 11-O-0369 (4) An Ordinance by Finance/Executive Committee to amend Chapter 114, Personnel, Article IV, Classification Plan of the Code of Ordinances, City of Atlanta, Georgia so as to provide for a certain position creation and abolishment in the Department of City Council, Office of the Municipal Clerk; and for other purposes. **(Referred to Finance/Executive Committee from Committee on Council, 3/7/11; Referred back from Full Council, 3/7/11)**

**FAVORABLE**

**Mr. Forest Webb:** Deputy City Clerk addressed the Committee by stating that the Information Systems Manager position has been approved by Council to handle day to day operations for IT. We currently have a Records Manager and we will abolish that position and recreate the Systems Analyst. It is shifting responsibilities. Councilmember Wan offered a motion to **Approve, 7 Yeas.**

**TO AMEND THE FY 2011 (WATER AND WASTEWATER REVENUE FUND)**

- 11-O-0371 (5) An Ordinance by Councilmember Howard Shook **as Substituted by Finance/Executive Committee (1), 3/16/11** authorizing the Chief Financial Officer to amend the FY 2011 (Water and Wastewater Revenue Fund) (5051) and Water and Wastewater Renewal & Extension) 5052 Budgets in the amount of nine hundred sixty nine thousand four hundred fifty seven and no cents (\$969,457.00) to transfer Funds from the Water and Wastewater Revenue Fund and the Water and Wastewater Renewal and Extension Fund Reserves for appropriations and add to appropriations for Atlanta Journal Constitution ("AJC") building located at 72 Marietta Street for Services; and for other purposes. **(Finance/Executive Committee Substitute corrects the FDOA, 3/16/11)**

**FAVORABLE ON SUBSTITUTE**

Chairperson Adrean stated that we have a Substitute to correct the FDOA.

**Mr. Angelo Veney:** of the Department of Watershed Management addressed the Committee by stating that this authorizes an amount of \$969,457.00 from the 5051 (Water and Wastewater Revenue Fund) and 5052 (Renewal and Extension funds). The Renewal and Extension fund is for items that have a per unit value over \$5,000. We use the Renewal and Extension fund for small capital items and replacement. Chairperson Adrean asked if the source of funds Bond money. Mr. Veney responded no, it is generated by rates. He then stated that the Substitute is to track the account numbers of all of the expenses for the AJC move. Chairperson Adrean offered a motion to **Approve on Substitute, 6 yeas, 1 Nay.**

**TO ADOPT THE 2011 UPDATE TO THE CITY OF ATLANTA FIVE YEAR FINANCIAL STABILIZATION PLAN**

- 11-R-0353 (1) A **Substitute** Resolution by Finance/Executive Committee adopting the 2011 update to the City of Atlanta Five Year



Financial Stabilization Plan; and for other purposes.  
**(Finance/Executive Committee Substitute updates page #13,  
 3/16/11)**

### **HELD ON SUBSTITUTE**

Chairperson Adrean stated that we have a Substitute to update page #13. She then stated that she is not in support of the Five-Year Plan. She is not comfortable with us using 2011 as a base budget for 2012. There must have been some lesson learned from the 2011 budget. We would be going five years forward with a significant deficit. Councilmember Moore stated that she agrees. She finds it hard to support deficits. Councilmember Shook stated that page #6 lists an item he had not noticed, which advocates for inflation. Councilmember Wan asked if we should Hold this for a revision. He wants to understand it before we act on this paper. Councilmember Moore stated that this Committee could develop a Substitute or we could vote it down. This is very late in the game. Voting it down would leave the previous one that was adopted by Council. Councilmember Watson stated that he wishes someone would offer something that is constructive. Chairperson Adrean stated that this is the Mayor's Five-Year Plan. CFO De Foor responded that with the budget we are required to pass certain documents. There may be deficits. Councilmember Watson asked if we had it for some time. Chairperson Adrean responded, yes. She has a fundamental issue with the way it was built.

**Mr. Peter Andrews:** Deputy City Attorney addressed the Committee by stating that the plan is a guideline for the next five years. It is not a budget to go by. The legal implication is that the Charter requires it. If Council does not adopt one, we can't go back to the last one. Councilmember Moore stated that there are guiding principles for the Five-Year Plan. We had to adopt one prior to the adoption of the budget. This one she can't adopt so we have to reject it. The other suggestion is to adverse this one and go to the previous plan and add a criteria for another year. Councilmember Shook asked what happens if we Held it and got a Substitute. Councilmember Moore stated that we need to tell the CFO what we want to see. The Paper was **Held on Substitute for another Substitute, 7 Yeas.** Councilmember Moore stated that at our next meeting we should move forward. We need to tell the CFO what we want to see differently. Page #13 we could lose some of the other expenses. Use the previous one as a base and a projection. She then asked if the changes could be made in two weeks. CFO De Foor responded that we are at full capacity and she would have to see what the request is. She can't say in two weeks. She would have to get with her staff first. Chairperson Adrean stated that the budget will exercise some of the items in this document.

### **TO ENTER INTO A COOPERATIVE PURCHASING AGREEMENT**

11-R-0354 (2)

A Resolution by Finance/Executive Committee authorizing the Mayor or his Designee to enter into a Cooperative Purchasing Agreement pursuant to Section 2-1603 of the City of Atlanta Code of Ordinances, utilizing the General Services Administration Contract Number GS-35F-4984H with International Business Machines for Cognos Maintenance and Support Services beginning April 1, 2011 through September 30, 2011 in an amount not to exceed thirty thousand dollars and no cents (\$30,000.00), to be charged to and paid from Fund, Department, Organization, and Account Numbers 1001 (General Fund) 050202 (IT Applications) 5213001 (Consulting/Professional Services – Technical) 1535000 (Data Processing/Management Information Systems); and for other purposes.

### **FAVORABLE**

**Mr. Larry Stokes:** Research and Policy Analyst addressed the Committee by stating that there was an error in line #4 that referenced Georgia Services Administration, but it has been corrected.

**Mr. Michael Dogan:** Acting Chief of the Department of Information Technology addressed the Committee by stating that we have three supportive papers. The second one is for McAfee and third is for hosting services. Councilmember Martin offered a motion to **Approve, 7 Yeas.**

#### **TO ENTER INTO A COOPERATIVE PURCHASING AGREEMENT**

11-R-0355 (3) A Resolution by Finance/Executive Committee authorizing the Mayor or his Designee to enter into a Cooperative Purchasing Agreement pursuant to Section 2-1602 of the City of Atlanta Code of Ordinances, utilizing the Georgia Services Administration Contract #GS-35F-4188D with Technology Integration Group for McAfee Total Protection for endpoint software licenses and one year of gold software support on behalf of the Department of Information Technology in an amount not to exceed fifty-two thousand, two hundred fifty dollars and no cents (\$52,250.00); all contracted work shall be charged to and paid from Fund, Department Organization and Account Number 1001 (General Fund) 050201 (IT Security) 5316015 (Software (\$5,000+)) 1535000 (Data Processing/Management Information System); and for other purposes.

#### **FAVORABLE**

Councilmember Martin offered a motion to **Approve, 7 Yeas.**

#### **TO ENTER INTO A COOPERATIVE PURCHASING AGREEMENT**

11-R-0356 (4) A Resolution by Finance/Executive Committee authorizing the Mayor or his Designee to enter into a Cooperative Purchasing Agreement pursuant to Section 2-1602 of the City of Atlanta Code of Ordinances, utilizing General Services Administration Contract Number GS-35F-0249R with Accela Inc., for the purchase of Accela Application Hosting on behalf of the City of Atlanta Department of Information Technology, in an amount not to exceed one hundred thirty-three thousand, forty-eight dollars and forty-seven cents (\$133,048.47) beginning April 1, 2011 through March 31, 2012; all contracted work shall be charged to and paid from 1001 (General Fund) 050202 (IT Applications) 5213001 (Consulting Professional Services) 1535000 (Data Processing/Management Information System) and for other purposes.

#### **FAVORABLE**

Councilmember Martin offered a motion to **Approve, 7 Yeas.**

#### **TO ENTER INTO A CONTRACTUAL AGREEMENT WITH KPMG LLP, FOR FC-5065**

11-R-0376 (5) A Resolution by Finance/Executive Committee authorizing the City of Atlanta Internal Auditor to enter into a Contractual Agreement with KPMG LLP, for FC-5065, City of Atlanta Financial Statement Audit, in an amount not to exceed one million two hundred sixty thousand dollars (\$1,260,000.00); all contracted work shall be charged to and paid from Fund, Department, Organization and Account: 1001 (General Fund) 200101 (NDP

Reservation of Funds) 5212001 (Consulting/Professional Services) 1512000 (Accounting); and for other purposes.

### **HELD**

Councilmember Martin asked Ms. Ward if she was an evaluator. He has concerns with that.

**Ms. Leslie Ward:** Internal City Auditor addressed the Committee by stating that she was an evaluator. Councilmember Martin stated that she should not be available to lobby. Chairperson Adrean asked about the government selecting External Auditors and their criteria. Ms. Ward responded that we worked with the Department of Procurement. Deputy City Attorney Andrews added that he is working on it as well. Councilmember Willis asked about the last sheet attached. Ms. Ward responded that they are questions Councilmember Martin put together. Councilmember Willis asked about the increase of 25%. Ms. Ward responded that the contract is over \$1 million dollars. Councilmember Willis stated that it concerns him and it creates a problem to increase the contract. Councilmember Martin asked about the Procurement Process. Ms. Ward responded that there is a White Paper attached. The increase is because the City is requesting an additional scope of work. Because of the changes in the Administration, we requested more assurance from the funds. Councilmember Willis stated that he is not comfortable with it. Councilmember Watson stated that he would like to get a report from them regarding their recommendation. Are they all audit fees? Ms. Ward responded yes. Deputy City Attorney Andrews responded that Procurement should present this item. We are going to interview the Appeal Panel before we decide. He then stated that he does not recommend interviewing the Selection Panel especially on camera before having an appeal process and let the Chief of Procurement do it. Councilmember Martin stated that the motion was to Hold. CFO De Foor responded that she is concerned with Holding it. Councilmember Moore asked Mr. Smith to speak. What is the calendar in terms of audits? CFO De Foor responded that she is only one of the users. She asked Ms. Ward to expand the scope for smaller funds. She doesn't have the calendar, but she would be concerned if we waited further because some audits need to be done on a timely basis.

**Mr. Adam Smith:** Chief Procurement Officer addressed the Committee by stating that there is no prohibition from a manager being an evaluator. If we saw any conflicts at the beginning we would have stated it. This procurement is flawless and the evaluation is flawless. He stands behind it and supports it. He added that we should not hear from the Selection Team. Councilmember Moore asked if there is any concern with Ms. Ward being an evaluator. Mr. Smith responded no. Councilmember Willis stated that he has never seen an Evaluator Team brought to Council to speak on processes. He does not support that. He doesn't know specifically how many times a Commissioner was on a Selection Panel. Councilmember Martin asked who are the users? Deputy City Attorney Andrews responded the City Auditor. They have already made their recommendation. Councilmember Martin stated that he made the motion to Hold at the Briefing for additional information. Why is he having problems getting the information. Who is the Department responsible for giving it? Mr. Smith responded that he cannot answer it. Deputy City Attorney Andrews responded that it would be Ms. Ward. Councilmember Martin asked if Ms. Ward was briefed. CFO De Foor responded that we sat down with the Internal Auditor and went over the scope. It was outlined beforehand what the auditors would be doing. We go directly to the auditors and would not ask them to do anything that was new or out of scope. Councilmember Wan asked what is the rationalization of the increased amount? Councilmember Shook supported the motion to Hold, but wanted all of the questions of concerns. Councilmember Willis offered a motion to Hold. Councilmember Moore stated that we should allow people to get their questions asked. We should not schedule things when we have Finance meetings. Councilmember Willis stated that things happen and he deems his schedule his business. The issue is that he made a motion to Hold. How he schedules his life is his business. The motion was to **Hold, 4 Yeas, 1 Nay, 1 Abstention**. Chairperson Adrean stated that there are guiding principles for the Internal Auditor. Council are the ones who votes. Councilmember Martin asked what

has been the performance of the auditor. Ms. Ward responded that they were a component with Procurement. Deputy City Attorney Andrews added that we are trying to work through some of the issues. Councilmember Martin asked what did you tell your Board about the existing audit. Deputy City Attorney Andrews responded that is part of the Evaluation Team. Ms. Ward added that she cannot speak publicly about discussions with her Audit Board. Councilmember Martin asked if you had a conversation about this contractor. Ms. Ward responded several. Councilmember Martin stated that this discussion would not have come up if you had not spoke of this company in the Finance Briefing.

#### **TO PARTNER WITH THE GEORGIA DEPARTMENT OF REVENUE**

11-R-0444 (6) A **Substitute** Resolution by Councilmember Yolanda Adrean to partner with the Georgia Department of Revenue in an effort to ensure proper payment of Sales Tax; and for other purposes.

#### **FAVORABLE ON SUBSTITUTE**

Chairperson Adrean stated that we have a Substitute.

**Mr. Gary Donaldson:** Director of the Office of Revenue addressed the Committee by stating that the State is working with the City in regards to sales and business taxes. Chairperson Adrean asked if small businesses are included. Mr. Donaldson responded that it is an effort to identify the businesses not complying. We are capturing certain fields for business taxes. Councilmember Shook asked if we already have that information. Mr. Donaldson responded that we will interface it with the State sales tax. Councilmember Wan asked if there are additional steps a business has to take. Mr. Donaldson responded no. Chairperson Adrean asked if this closes a loop. Mr. Donaldson responded that we will be more efficient. Councilmember Wan offered a motion to **Approve on Substitute, 5 Yeas.**

#### **TO AMEND ARTICLE VILL DIVISION II OF CHAPTER II OF THE CODE OF ORDINANCES**

10-O-0774 (1) An Ordinance by Councilmembers H. Lamar Willis and Alex Wan to amend Article VII Division II of Chapter II of the Code of Ordinances of the City of Atlanta so as to provide that it shall be unlawful for any City Officer or Employee to knowingly and willfully withhold information, make false or misleading statements or to give untrue testimony before any of its standing Committees; to provide that any Officer or Employee who is found to have violated this Provision shall be dismissed from the employ of the City; and for other purposes. **(Held, 4/28/10)**

#### **HELD**

#### **TO AMEND CHAPTER 114, ARTICLE IV, DIVISION 12, SECTION 114-379**

10-O-0874 (2) An Ordinance by Finance/Executive Committee amending Chapter 114, Article IV, Division 12, Section 114-379 of the City of Atlanta Code of Ordinances entitled "Layoff or Reduction In Force" so as to provide for the use of the Veterans Preference authorized by Section 114-207 during the calculation of retention points; and for other purposes. **(Held, 6/2/10)**

#### **HELD**

#### **TO CREATE A PARKING PASS PROGRAM**

10-O-1733 (3) An Ordinance by Councilmembers Michael Julian Bond, Joyce Sheperd, Aaron Watson, Keisha Lance Bottoms, H. L. Willis, Ivory

Lee Young, Jr., C.T. Martin, and Yolanda Adrean authorizing the Mayor or his designee to create a Parking Pass Program for all duly appointed members of City Boards and Commissions; and for other purposes. **(Held, 9/29/10)**

**HELD**

**TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469**

- 10-O-1739 (4) An Ordinance by Councilmember Natalyn Mosby Archibong to amend the Charter of the City of Atlanta, Georgia, 1996 Ga Laws P. 4469 et seq. adopted under and by virtue of the Authority of the Municipal Home Rule Act of 1965, O.C.G.A. Section 36-35-1 et seq. as amended, by amending Part 1 (Charter and Related Laws), Subpart A, (Charter), Article III (Executive), Chapter 3 Entitled (City Departments), Section 3-305 of the City of Atlanta's Code of Ordinances by adding a new Sub-Paragraph (d); and for other purposes. **(2<sup>nd</sup> Reading, 1<sup>st</sup> Adoption, 9/29/10); (3<sup>rd</sup> Reading, Final Adoption, Substituted as Amended and Held, 10/13/10 by Committee for additional information)**

**HELD**

**TO CONCERN THE FUTURE OF REGIONAL TRANSIT**

- 10-R-1869 (5) A Resolution by Atlanta City Council of the City of Atlanta, Georgia concerning the future of Regional Transit under the 2010 Transportation Investment Act. **(Held, 10/27/10)**

**HELD**

**TO TRANSFER \$143,443.70 FROM THE DISTRICT 9 COUNCIL-MEMBER NON-DEPARTMENT EXPENSE ACCOUNT FUND**

- 11-O-0103 (6) An Ordinance by Councilmember Felicia A. Moore to transfer one hundred forty three thousand four hundred forty three dollars and seventy cents (\$143,443.70) from the District 9 Councilmember Non-Department Expense Account Fund to the Department of Public Works to be used to construct sidewalks, driveways curbs and gutters for the Simms Avenue and Johnson Road Curbing Projects and the Bolton Road/Marietta Boulevard Intersection Project; and for other purposes. **(Held, 2/2/11)**

**HELD**

**TO TRANSFER THE AMOUNT OF \$10,000.00 FROM DISTRICT TWO (2) COUNCILMEMBER EXPENSE ACCOUNT**

- 11-O-0106 (7) An Ordinance by Councilmembers Kwanza Hall, Carla Smith, Cleta Winslow, Ivory Lee Young, Jr., Alex Wan and Howard Shook to transfer the amount of \$10,000.00 from District Two (2) Councilmember Expense Account to pay for a Cultural Heritage Plan for Downtown and surrounding neighborhoods; and for other purposes. **(Held, 2/2/11)**

**FAVORABLE ON SUBSTITUTE**

Councilmember Wan offered a motion to **Approve on Substitute, 5 Years.**

**TO WAIVE ARTICLE X, DIVISION 4, SECTION 2-1188**

- 11-O-0221 (8)      An Ordinance by Finance/Executive Committee to waive Article X, Division 4, Section 2-1188 of the City of Atlanta's Procurement Code to extend the term of the contract to include a third one (1) year renewal option for FC-6005007967, Privatized Probation Services, a revenue generating contract; authorizing the Mayor to enter into the third one (1) year Renewal Agreement in said amended contract; all Fund generated thereunder to be deposited into the applicable General Fund Revenue Accounts and Agency Fund Liability Accounts; and for other purposes. **(Held, 3/2/11)**

**FAVORABLE ON SUBSTITUTE**

Chairperson Adrean stated that we have a Substitute. Councilmember Martin offered a motion to **Approve on Substitute, 5 Yeas.**

**TO EXECUTE AN AGREEMENT WITH PATTON BOGGS, LLP FOR FC-5184**

- 11-R-0258 (9)      A Resolution by Finance/Executive Committee authorizing the Mayor to execute an Agreement with Patton Boggs, LLP for FC-5184, Consulting and Lobbying at the Federal Government Level, on behalf of the Department of Aviation and the Department of Watershed Management, in an amount not to exceed \$300,000.00; all contracted work shall be charged to and paid from FDOA Numbers listed; and for other purposes. **(Referred back to Finance/Executive Committee from City Council, 2/2/11); (Held,, 3/2/11)**

**HELD**

**ADJOURNMENT**

Having no further business before the Committee, the meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Joya C. De Foor, CFO  
Secretary

Charlene Parker  
Recording Secretary

***"The Department of Finance... because customer service is important to us."***